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SENSITIVE SIPDIS

E.O. 12958: N/A TAGS: <u>ABLD AMGT CH</u>

SUBJECT: CHARGE DELIVERS REVISED COCA II AGREEMENT TO CHINESE MFA

REF: A. STATE 15030 ¶B. BEIJING 406

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11. (SBU) SUMMARY: In a February 20 meeting with MFA Department of Administration Director General Li Chao, the Charge delivered the revised COCA II agreement, walked the MFA through the talking points and left a non-paper detailing changes to the draft agreement received in ref A. The Charge told Li that the Department was considering the Chinese suggestion to separately hold technical discussions in regard to the sale of the Embassy's "Er Ban" facility. Li promised to study the revised agreement, while expressing China's preference for the agreement to cover residential properties and retain references to the Vienna Convention on Consular Relations (VCCR). End Summary.

China Sees Revised Draft as Step in Right Direction...

12. (SBU) In delivering the revised COCA II agreement to DG Li, the Charge stressed the importance of the agreement to the United States. The Charge noted that his meeting with Li to discuss COCA II for the second time in two weeks, on the day when Secretary Clinton is arriving in Beijing, demonstrated how seriously we take the issue. Li responded that senior Chinese officials, including State Councilor Dai Bingguo, Foreign Minister Yang Jiechi, Vice Foreign Minister He Yafei and Assistant Foreign Minister Liu Jieyi, all attach great importance to the issue. Li said the revised U.S. draft was "another step towards resolving the issue." He promised to the study the draft and respond as soon as possible.

...But Wants Residential Properties and VCCR Included

13. (SBU) Responding preliminarily to points by the Charge, Li said the COCA II agreement should cover residential properties, arguing that they are an "integral part" of a diplomatic mission. He expressed hope that both sides would make "concerted efforts" to include residential properties in the agreement. Li disagreed with the deletion of references to the VCCR in the U.S. draft, arguing that the VCCR is the "foundation" of the COCA II agreement and an "enhancement" of the U.S.-China Consular Treaty. He said the COCA II agreement should include references to the VCCR, as there is "no fundamental difference between the VCCR and bilateral Consular Treaty."

Renovation of PRC Chancery, Sale of "Er Ban" Facility

14. (SBU) Regarding the issue of renovating the PRC chancery in Washington DC, Li said he understood the problem of local laws and jurisdiction. However, he stressed that China overcame differences with its local laws to include visual control in the COCA II agreement, suggesting the United States could do the same. Li expressed hope that the agreement, once signed, will be expanded to all districts and states. He also reiterated China's interest in

discussing the sale of the "Er Ban" facility separately and "when the time is right." $\,$

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